

Interim Consolidated Financial Statements for the First Half of the Fiscal Year Ending March 31, 2004 [Based on accounting principles generally accepted in the United States of America]

November 13, 2003

Listed Company: Wacoal Corp.
Code Number: 3591

Stock Exchanges: Tokyo, Osaka
Location of Principal Office: Kyoto

(URL <http://www.wacoal.co.jp/>)

Representative: Position: President and Representative Director

Name: Yoshikata Tsukamoto

For Inquiries: Position: Corporate Officer, General Manager of Corporate Planning Division

Name: Nobuhiro Matsuda TEL (075) 682-1010

Date of Meeting of the Board of Directors for Interim Financial Statements: November 13, 2003

Adoption of U.S. Accounting Standards: Yes

1. Consolidated Business Results for the Six-Month Period Ended September 30, 2003 (April 1, 2003 to September 30, 2003) - Unaudited

(1) Consolidated Management Performance (Note) Amounts less than 1 million yen have been rounded off.

	Net Sales		Operating Income		Income before Income Taxes	
	Million Yen		Million Yen		Million Yen	
Six-Month Period Ended September 30, 2003	84,347	(3.2%)	6,021	(24.9%)	6,694	(1.6%)
Six-Month Period Ended September 30, 2002	87,117	2.0%	8,013	8.4%	6,803	(13.6%)
Year Ended March 31, 2003	163,709	0.5%	7,264	1.1%	4,604	(39.5%)

	Net Income		Net Income Per Share		Net Income Per Share - Assuming Full Dilution	
	Million Yen		Yen			
Six-Month Period Ended September 30, 2003	4,424	7.9%	30.18		N/A	
Six-Month Period Ended September 30, 2002	4,099	(14.9%)	27.49		N/A	
Year Ended March 31, 2003	2,898	(41.8%)	19.48		N/A	

(Notes) (i) Equity in net income of affiliated companies: Six-month period ended September 30, 2003: 382 million yen; Six-month period ended September 30, 2002: 452 million yen; Year ended March 31, 2003: 966 million yen

(ii) Average number of shares during the period (consolidated): Six-month period ended September 30, 2003: 146,569,106 shares; Six-month period ended September 30, 2002: 149,107,579 shares; Year ended March 31, 2003: 148,772,325 shares

(iii) Changes in accounting method: None

(iv) Percentages indicated under net sales, operating income, income before income taxes and net income represent the increase/decrease in comparison to the previous six-month period.

(2) Consolidated Financial Condition - Unaudited

	Total Assets		Shareholders' Equity		Shareholders' Equity to Assets		Shareholders' Equity per Share	
	Million Yen		Million Yen		%		Yen	
Six-Month Period Ended September 30, 2003	227,916		170,347		74.7		1,162.24	
Six-Month Period Ended September 30, 2002	225,892		169,948		75.2		1,139.83	
Year Ended March 31, 2003	218,105		160,839		73.7		1,097.35	

(Note) Number of outstanding shares at the end of period (consolidated): Six-month period ended September 30, 2003: 146,567,476 shares; Six-month period ended September 30, 2002: 149,099,380 shares; Year ended March 31, 2003: 146,570,431 shares

(3) Consolidated Cash Flow Status - Unaudited

	Cash Flow from Operating Activities		Cash Flow from Investing Activities		Cash Flow from Financing Activities		Cash and Cash Equivalents at End of Period	
	Million Yen		Million Yen		Million Yen		Million Yen	
Six-Month Period Ended September 30, 2003	2,859		8,852		(2,102)		36,864	
Six-Month Period Ended September 30, 2002	5,527		(3,965)		(2,186)		34,598	
Year Ended March 31, 2003	7,858		(9,839)		(6,006)		27,246	

(4) Items related to the Consolidation Criteria and Equity Method Application

Number of consolidated subsidiaries: 37 companies

Number of non-consolidated subsidiaries subject to equity method: None

Number of affiliated companies subject to equity method: 7 companies

(5) Changes in the Consolidation Criteria and Equity Method Application

Consolidated (new): 1 company, (excluded): none; Equity Method (new): 1 company, (excluded): none

2. Forecast of Consolidated Performance for the Fiscal Year Ending March 31, 2004 (April 1, 2003 to March 31, 2004)

	Net Sales		Operating Income		Income before Income Taxes		Net Income	
	Million Yen		Million Yen		Million Yen		Million Yen	
Annual	165,000		8,000		8,200		5,600	

(Reference) Expected net income per share (annual basis): _38.21_ yen

*The foregoing estimates are made based on information available as of the date this data was released, and actual results may differ from estimates due to various factors arising in the future. Please refer to page 6 of the attached materials for items relating to the foregoing estimates.

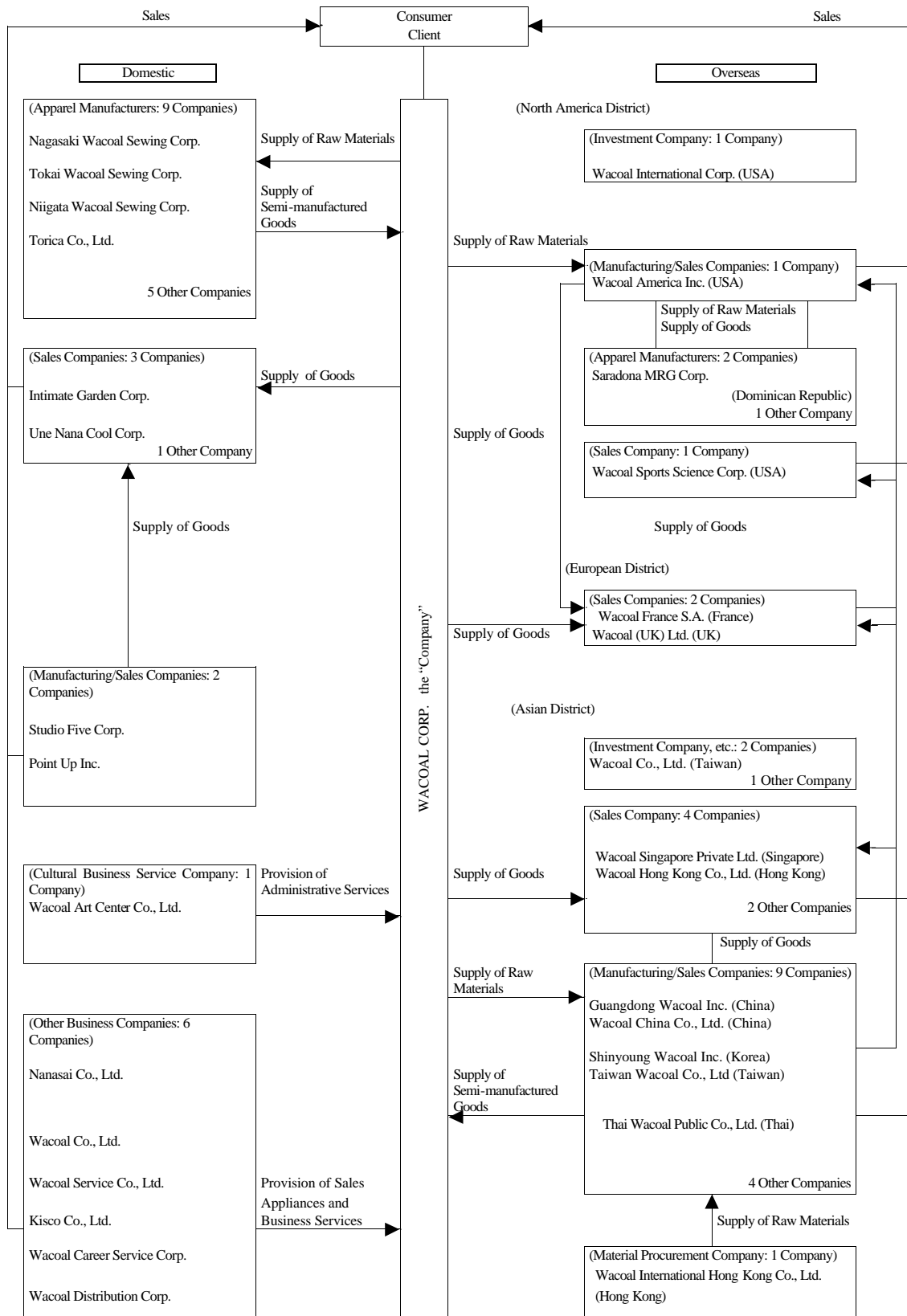
I. Status of Corporate Group

Our corporate group consists of Wacoal Corp. (the “Company”), 37 subsidiaries and 7 affiliated companies, and is principally engaged in the manufacture and wholesale distribution of innerwear (mainly women’s foundation lingerie, nightwear and children’s underwear), outerwear, sportswear, other textile goods and related products, as well as the wholesale and direct sales of certain products to consumers. The corporate group is also conducting business in the areas of restaurant, culture, services and interior finish work.

The relative position of the group’s businesses, as well as their relation to certain business segments, are as follows.

Business Segment	Operating Segment	Major Companies	
Textile Products and Related Products	Manufacturing and Sales Companies	Domestic	Wacoal Corp., Studio Five Corp., Point Up Inc. (Total: 3 Companies)
		Overseas	Wacoal America Inc., Wacoal China Co., Ltd., Shinyoung Wacoal Inc. (Korea) Taiwan Wacoal Co., Ltd., Thai Wacoal Public Co., Ltd. 3 Other Companies (Total: 8 Companies)
	Sales Companies	Domestic	Intimate Garden Corp., Une Nana Cool Corp. 1 Other Company (Total: 3 Companies)
		Overseas	Wacoal Singapore Private Ltd. Wacoal Hong Kong Co., Ltd. Wacoal France S.A. Wacoal (UK) Ltd. 3 Other Companies (Total: 7 Companies)
	Apparel Manufacturers	Domestic	Nagasaki Wacoal Sewing Corp., Tokai Wacoal Sewing Corp. Niigata Wacoal Sewing Corp., Torica Co., Ltd. 5 Other Companies (Total: 9 Companies)
		Overseas	Saradona Mfg Corp. (Dominican Republic), Guandong Wacoal Inc. 2 Other Companies (Total: 4 Companies)
	Material Procuring Companies	Overseas	Wacoal International Hong Kong Co., Ltd. (Total: 1 Company)
Others	Cultural Business Service Companies	Domestic	Wacoal Corp., Wacoal Art Center Co., Ltd. (Total: 2 Companies)
	Other Business Companies	Domestic	Wacoal Corp., Nanasai Co., Ltd., Wakoh Corp., Wacoal Service Co., Ltd., Kisco Co., Ltd. Wacoal Career Service Corp., Wacoal Distribution Corp. (Total: 7 Companies)
		Overseas	Wacoal International Corp. (USA) Wacoal Investment Co., Ltd.; (Taiwan) 1 Other Company (Total: 3 Companies)

The business distribution diagram regarding the status of the foregoing corporate group is as follows:



II. Management Policies

1. Basic Business Policy

Our group, as a “Female Affinity Company”, aims to support the beautiful lifestyle of women. In our business, we actively follow a process we call the “Body Designing Business”. We believe this process supports the “Expression of Personal Beauty of the Mind and Body”. In order to expand such business activities, we need to develop our consumer-based concepts to enhance the idea of consumer satisfaction so that we may provide “Satisfaction to Each Consumer”. We have given considerable attention to product quality since our foundation, have learned from and have seriously addressed issues related to each consumer.

We have given attention also to the improvement of the corporate brand loyalty, which is our material management resource, and to the improvement of capital efficiency as well as return to shareholders, in the belief that the management is responsible for the sustainable development of corporate value from the viewpoints of all stakeholders, including customers and shareholders. We also believe it necessary for the Company to engage actively in environmental issues and other areas of social responsibilities, in order to earn the trust and sympathy of, and live side-by-side with, society.

Moreover, in order to take precautions against corporate risks that could damage our long-held corporate values, we have established a Disclosure Committee, in addition to the existing Risk Management Committee and Corporate Ethics Implementation Committee. The Disclosure Committee will evaluate the development and application of the Company’s disclosure control and other internal control and seek to ensure the creditability of the disclosure of financial information, etc.

2. Basic Policy Regarding Profit Sharing

With respect to dividend policies, we will seek to reinforce our financial strength in order to secure a stable management base, and endeavor to continue our pattern of steady dividends, all the while giving consideration to the appropriate dividend payout.

Moreover, as part of an increase in share-value and return of profits to shareholders, in the last three (3) years, we have repurchased and cancelled a total of 7,500,000 shares of the Company. We will continue to examine various measures in the future.

We have actively invested in the structure of a uniform system to manage the process of production to logistics to sales, as well as enhance our information system and existing sales markets, and develop new SPA shops (“SPA” is short for “Special Store Retailer of Private Label Apparel”). We hope that these efforts will be beneficial to our shareholders by improving future profits.

3. Concept and Policy Regarding Lowering Investment Unit, etc.

It is important that our group promotes the long-term stable retention of our company shares by investors and seeks to broaden the investor base. In order to realize the above, we believe lowering the investment unit for personal investors to be an effective measure. In addition to giving consideration to stock market trends, we will take careful measures by attaching greater importance to shareholders when examining the required costs and the effects thereof.

4. Business Measure Targets

Our target is to achieve ROE (return on equity) of 6% or higher. In addition, we are also aiming to achieve an operating income margin of 9% or higher, and will aggressively pursue profit, engage in reduction of manufacturing and operating costs, as well as endeavor to efficiently utilize net assets.

5. Our Medium- and Long-term Business Strategy

Our surrounding environment is rapidly changing owing to diversification in consumer values, broadening needs of the elderly and the young, the pursuit of new distribution channels in Japan, progress in opening up China’s market due to its participation in the WTO (“World Trade Organization”) and the necessity of constructing an overseas sales, productivity, and planning network in order to further our development as an international brand. In order to respond immediately to these business and environmental changes, we are promoting the following measures based on our medium-term plan:

(1) Reorganization of Existing Businesses

(i) Brand Reorganization in the Intimate Apparel Business Field

Based on the results of research and development by using our core competencies and related know-how, we will rank the products which shall be strongly branded with “Wacoal” as “Product Brands”. Additionally, we will clarify the type of consumers to be targeted and provide products representing brand visions for each target consumer, and rank such products as “Target Brands,” in order to build a structure whereby we can effectively classify, sort, plan and develop products and sales floors. “Wing” brand, which had been regarded as a distribution channel-oriented brand of Wacoal, will be ranked as a core brand equal to the “Wacoal” brand and we will aim to improve its brand loyalty by clarifying its brand identity.

- (ii) Participation in the Wellness Business

As a result of increased health consciousness, services and products using the words “health” or “comfort” are gaining the attention of consumers. Therefore, we will promote businesses that support lifestyles based on health. The Company is currently starting up the “nul” brand and launching new stores.
- (2) Development of New Business
 - (i) SPA (Manufacture and Retail), Internet Mail Order and Catalog Mail Order

In order to respond to the structural changes in the apparel market, we will aggressively develop business fields with new customers. Regarding the SPA business, we are actively expanding stores focusing on four SPA brands. Regarding the Catalog business, we have issued a new catalogue specializing in innerwear, and we are working to expand the number of users.
 - (ii) Development of the “Good Age” Business

We will develop product groups and cultivate distribution channels to respond to the needs of an aging society.
- (3) Compiling New Value-Added Businesses
 - (i) Development of the Semi-Custom-Made Business, “Dubleve”

In order to turn the semi-custom-made manufacturing and sales business “Dubleve” profitable at an early stage, we are developing new materials and working to attract customers through “CRM” (Customer Relationship Management).
 - (ii) Development of Smart OEM Businesses

Leveraging our group’s core competencies, we will endeavor to participate in business alliances and value-add OEM relationships.
- (4) Promotion of Structural Reformation

With “speed” and “cost” as key components, we will proceed with our structural reformation of production and logistics. As apart of this effort we have proceeded with the integration of our logistical bases as planned. Moreover, due to the shift of production to overseas countries, the ratio of overseas production has been increasing, mainly through subsidiaries in China and Vietnam.
- (5) Deployment of Global Business Activities
 - (i) Active Expansion of our Chinese Business

We have been seeking to reinforce and expand our sales offices in China in order to create a foundation for the Chinese market. A new production subsidiary, “Dalian Wacoal Co., Ltd.” was incorporated to facilitate production for the domestic market, and factories are being constructed to start operation in September 2004.
 - (ii) We will promote global planning, procurement, and overall enhancement of the production system with Hong Kong as the core of this network.

We have started to create a system to enable effective capital investment in the Asian region, and have been reorganizing Asian production and distribution subsidiaries into the subsidiaries of Wacoal International Hong Kong Co., Ltd., which procures materials overseas and coordinates the circulation of products among group subsidiaries.
- 6. Basic Policies Regarding Corporate Governance, Status of their Implementation
 - (1) Basic concepts regarding corporate governance

We have reformed our corporate organization and meeting system to reinforce decision-making and a supervising authority of the board of directors, as well as clarifying responsibilities for business operations. In June 2002, the Company introduced a corporate officer system, and decreased the number of directors from 16 to 13. There are now 9 directors. In line with the introduction of the corporate officer system, we have established a meeting of corporate officers as an organization to review the business plans of each business section, to report quarterly results, and to communicate various instructions and information. Currently, such meetings consist of the directors, 19 corporate officers, and 2 full-time corporate auditors. Moreover, when reviewing and analyzing business plans based on corporate-wide policy, the meeting is operated as a business strategy meeting.

In order to increase the transparency of managerial matters, we have enhanced our Investor Relations (“IR”) activities and given our utmost efforts to disclose information actively to our shareholders and investors. Furthermore, as the Company is listed on NASDAQ in the U.S., the Company has taken measures to correspond to the Sarbanes-Oxley Act, which has become applicable to foreign listed companies, as well as

establishing the Disclosure Committee in August 2003 to develop the corporate governance and ensure creditability of the disclosure of financial information, etc.

Moreover, we created “Corporate Ethics - Wacoal’s Action Agenda” to review all aspects of our corporate activities from the perspective of corporate ethics. We expect that this will enable the maintenance of fairness in business and improve managerial quality in a well-balanced manner. We will pursue transparency and the strengthening of corporate ethics through workshops conducted by the Corporate Ethics Implementation Committee, which was established in April 2002.

III. Business Results and Financial Condition

1. Business Results

The Japanese economy for the six-month period generally remained flat, owing to a leveling-off in consumer spending characterized by declining overseas travel due to the Iraq war and SARS epidemic, while business revenues improved gradually. The U.S. economic recovery has also been slow, due to weak personal consumption challenged by the Iraq war and severe employment. The broader Asian economy showed a gradual recovery, but the SARS epidemic had a negative impact on consumer spending and tourism.

The Japanese woman’s fashion industry was also stagnant, affected by the unstable weather including a long rainy season and unusually cool summer.

Despite these challenges, our group sought to improve product strength, conducted product development for consumer needs by focusing on innerwear, and actively endeavored to find new consumer targets through direct sales by stores. With respect to the Wacoal brand, the spring campaign products “Shakitto Bra” and “Shakitto Pants”, the summer campaign products “T-Shirt Bra NAMI NAMI” and “NAMI NAMI Pants” and the autumn campaign products “Kanjiru Bra” and “Kanjiru Shaper” were well received. Moreover, “La Vie Aisée” and “Gra-P”, innerwear targeting the middle-aged and elderly market, continued to receive favorable reviews. These high value-added products are a result of the research achievements of the R&D division of our Human Science Research Center. Their superb functionality was supported by consumers and contributed to stable sales in spite of the decline in consumer spending. As for the Wing brand, while the spring-summer campaign products did not show favorable results as expected, the high-sensitivity product “Lesiège” gained favorable reviews. We have around 70 stores for the SPA business as of the end of this six-month period, and we anticipate this number will steadily increase.

Other than innerwear, catalogue sales showed steady results. In particular, sales from “Love Body”, a catalogue targeting women in their 40s, largely exceeded expectations, helped by a 10-year anniversary campaign. With regard to our wellness business which we are currently promoting, sales of the main product “CW-X” increased, while sales of another main product, swimwear, decreased due to the cool summer. As a result, sales in the wellness business as a whole were below that of the previous year.

With regard to our overseas business, while the SARS epidemic negatively affected our business in China, Hong Kong and Taiwan, our affiliated companies in other Asian countries generally underwent a smooth transition. European and U.S. business results were lower than the previous year, mainly caused by the decline in the sales of Wacoal America Inc. from March to May due to a decrease in department store customers related to the risk of terrorism from the Iraq war, as well as the unstable weather.

As a result, net sales for the six-month period were 84,347 million yen, a 3.2% decrease compared to the previous six-month period.

Operating income for this six-month period was 6,021 million yen, 24.9% decrease compared to the previous year. Income before income taxes was 6,694 million yen, 1.6% decrease compared to the previous six-month period, whereas net income was 4,424 million yen, 7.9% increase compared to the previous six-month period.

Regarding sales by business category, sales of “textile products and related products” were 77,052 million yen, 3.0% decrease compared to the previous six-month period. The sales of “others” were 7,295 million yen, 4.7% decrease compared to the previous six-month period.

Regarding sales by location, “Japan” represented 75,245 million yen accounting for 89.2% of sales of the overall group, whereas “Asia” accounted for 3.1% and “Europe and U.S.” accounted for 7.7%.

2. Financial Condition

As a result of an increase in accounts receivables, cash flow from operating activities for the six-month period ended September 30, 2003, amounted to 2,859 million yen, a decrease of 2,668 million yen compared to the previous period last year.

Cash flow from investing activities for the six-month period ended September 30, 2003, amounted to 8,852 million yen, owing to the proceeds from the redemption of marketable securities.

Cash flow from financing activities for the six-month period ended September 30, 2003, consisted of disbursements of 2,102 million yen, mainly owing to the payment of dividends.

The balance of cash and cash equivalents at the end of the six-month period, calculated by deducting the effect of exchange rate changes on cash and cash equivalents from the foregoing total, was 36,864 million yen, a 9,618 million yen increase compared to the previous period last year.

Moreover, free cash flow, calculated by subtracting the amount of capital expenditure from cash flow due to operating activities, amounted to 1,814 million yen as of September 30, 2003.

Cash Flow Indicators and Trends

	Six-Month Period Ended September 30, 2002	Fiscal Year ended March 31, 2003	Six-Month Period ended September 30, 2003
Equity ratio (%)	75.2	73.7	74.7
Equity ratio based on market value (%)	67.4	58.5	60.4
Debt redemption years (years)	-	0.8	-
Interest coverage ratio (times)	60.7	47.6	42.0

Equity ratio = shareholders' equity / total assets

Equity ratio based on the market value = aggregate market value of shareholders' equity / total assets

Debt redemption years = debt with interest / cash flow from operating activities (not provided for six months)

Interest coverage ratio = cash flow from operating activities / interest payment

3. Forecast for the Year End

While Japanese domestic business conditions are improving, characterized by an increase in export and production thanks to the economic recovery in the U.S. and East Asia, overall business conditions are still unpredictable due to unstable exchange rates moving towards a weak dollar against the yen. Personal consumption has not fully recovered as the sales of chain stores and department stores are still lower than the previous year, but overall deflation has already touched bottom and high value-added products and services are now being reevaluated.

Consumers tend to select products based on the balance of price and value, and so such a tendency will have a large impact on the domestic woman's fashion industry, despite the mood that deflation may be bottoming out. The same circumstance will also apply to the whole distribution industry. In order to achieve favorable results, we regard it as important to respond appropriately to such circumstances.

Our group, under these circumstances, will make further efforts in developing high value-added products that are appreciated by each generation of consumers, and will aggressively pursue our goals to enhance our relationship with consumers, both through the SPA business, mail-order catalogs and the Internet. We will also continue to promote our structural reformation to enable effective management, cost reduction, and quality control.

Our target for the next year is to achieve net sales of 165,000 million yen, operating income of 8,000 million yen, income before income taxes of 8,200 million yen, and net income of 5,600 million yen.

We anticipate a dividend for this year of 13.50 yen per share, as initially planned.

IV-1. Interim Consolidated Balance Sheets - Unaudited

Accounts	Current Six-Month Period	Previous Six-Month Period	Previous Fiscal Year
	As of Sept. 30, 2003	As of Sept. 30, 2002	As of March 31, 2003
(Assets)	Million Yen	Million Yen	Million Yen
Current assets:			
Cash	16,784	10,414	7,084
Time deposits and certificates of deposit	20,080	24,184	20,162
Marketable securities	39,220	43,451	48,250
Trade notes	1,288	2,076	1,742
Trade accounts	<u>23,577</u>	<u>23,644</u>	<u>18,688</u>
Notes and accounts receivable	24,865	25,720	20,430
Allowance for returns and doubtful receivables	<u>(2,889)</u>	<u>(3,256)</u>	<u>(2,288)</u>
	21,976	22,464	18,142
Inventories	25,956	22,729	24,346
Deferred income taxes	4,991	4,849	4,653
Other current assets	1,579	1,718	1,849
Total current assets	130,586	129,809	124,486
Property, plant and equipment			
Land	22,422	23,887	22,924
Buildings	56,069	55,414	55,801
Machinery and equipment	12,407	12,058	12,248
Construction in progress	<u>40</u>	<u>324</u>	<u>78</u>
	90,938	91,683	91,051
Accumulated depreciation	(37,820)	(35,918)	(36,880)
Net property, plant and equipment	53,118	55,765	54,171
Other assets			
Investments in affiliates	11,300	10,584	10,840
Investments	24,481	22,777	17,968
Deferred income taxes	849	550	3,616
Lease deposits and other	7,582	6,407	7,024
Total other assets	44,212	40,318	39,448
Total Assets	227,916	225,892	218,105

Accounts	Current Six-Month Period As of Sept. 30, 2003	Previous Six-Month Period As of Sept. 30, 2002	Previous Fiscal Year As of March 31, 2003
(Liabilities, minority interests and shareholders' equity)	Million Yen	Million Yen	Million Yen
Current liabilities:			
Short-term bank loans	5,558	7,109	5,633
Trade notes	2,504	2,872	2,499
Trade accounts	<u>10,808</u>	<u>9,254</u>	<u>8,627</u>
Notes and accounts payable	13,312	12,126	11,126
Other payable	4,197	3,767	5,437
Accrued payroll and bonuses	7,235	7,014	7,520
Income taxes payable	3,320	4,536	2,796
Other current liabilities	1,705	1,752	851
Current portion of long-term debt	193	208	213
Total current liabilities	35,520	36,512	33,576
Long-term liabilities:			
Long-term debt	410	517	455
Customer deposits	821	773	764
Liability for termination and retirement benefits	17,620	14,068	20,650
Deferred income taxes	1,463	2,303	39
Total long-term liabilities	20,314	17,661	21,908
Minority interests	1,735	1,771	1,782
Shareholders' equity:			
Common stock	13,260	13,260	13,260
Additional paid-in capital	25,242	25,242	25,242
Retained earnings	133,912	134,977	131,466
Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments	(1,993)	(1,687)	(1,947)
Unrealized gain (loss) on securities	3,512	1,158	(846)
Minimum pension liability	(3,541)	(2,985)	(6,293)
Treasury stock	(45)	(17)	(43)
Total shareholders' equity	170,347	169,948	160,839
Total liabilities, minority interests and shareholders' equity	227,916	225,892	218,105

IV-2. Interim Consolidated Statements of Income - Unaudited

Accounts	Current Six-Month Period		Previous Six-Month Period		Previous Fiscal Year	
	From April 1, 2003 to Sept. 30, 2003		From April 1, 2002 to Sept. 30, 2002		From April 1, 2002 to March 31, 2003	
	Million Yen	%	Million Yen	%	Million Yen	%
Net sales	84,347	100.0	87,117	100.0	163,709	100.0
Operating cost and expenses						
Cost of sales	42,348	50.2	44,403	51.0	85,306	52.1
Selling, general and administrative	35,978	42.7	34,701	39.8	71,139	43.5
Total operating costs and expenses	78,326	92.9	79,104	90.8	156,445	95.6
Operating income	6,021	7.1	8,013	9.2	7,264	4.4
Other income (expenses)						
Interest income	133	0.2	151	0.2	305	0.2
Interest expense	(68)	(0.1)	(91)	(0.1)	(165)	(0.1)
Dividend income	124	0.2	129	0.2	220	0.1
Gain on sale or exchange of investments	436	0.5	1	0.0	436	0.3
Valuation loss on investments	(101)	(0.1)	(1,437)	(1.7)	(3,566)	(2.2)
Other - net	149	0.2	37	0.0	110	0.1
Total other income (expenses), net	673	0.9	(1,210)	(1.4)	(2,660)	(1.6)
Income before income taxes, equity in net income of affiliated companies and minority interests	6,694	8.0	6,803	7.8	4,604	2.8
Income taxes						
Current	3,547	4.2	4,538	5.2	5,243	3.2
Deferred	(955)	(1.1)	(1,572)	(1.8)	(2,756)	(1.7)
Total income taxes	2,592	3.1	2,966	3.4	2,487	1.5
Income before equity in net income of affiliated companies and minority interests	4,102	4.9	3,837	4.4	2,117	1.3
Equity in net income of affiliated companies	382	0.4	452	0.5	966	0.6
Minority interests	(60)	(0.1)	(190)	(0.2)	(185)	(0.1)
Net income	4,424	5.2	4,099	4.7	2,898	1.8
Net income per share in Yen	¥30.18		¥27.49		¥19.48	

(Note) Comprehensive income for the six-month period ended September 30, 2003 and 2002 were ¥11,488 million and 3,768 million, respectively. Comprehensive loss for the previous fiscal year ended March 31, 2003 was ¥3,005 million.

IV-3. Interim Consolidated Statements of Shareholders' Equity - Unaudited

Current Six-Month Period

Accounts	Shareholders' Equity					
	Outstanding shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock
As of April 1, 2003	thousand shares 146,570	million yen 13,260	million yen 25,242	million yen 131,466	million yen (9,086)	million yen (43)
Net income				4,424		
Other comprehensive gain					7,064	
Cash dividends paid (13.5 yen per share)				(1,978)		
Repurchase of treasury stock	(3)					(2)
As of September 30, 2003	146,567	13,260	25,242	133,912	(2,022)	(45)

Previous Six-Month Period

Accounts	Shareholders' Equity					
	Outstanding shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock
As of April 1, 2002	thousand shares 149,112	million yen 13,260	million yen 25,242	million yen 132,891	million yen (3,183)	million yen (5)
Net income				4,099		
Other comprehensive loss					(331)	
Cash dividends paid (13.5 yen per share)				(2,013)		
Repurchase of treasury stock	(13)					(12)
As of September 30, 2002	149,099	13,260	25,242	134,977	(3,514)	(17)

Previous year

Accounts	Shareholders' Equity					
	Outstanding shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock
As of April 1, 2002	thousand shares 149,112	million yen 13,260	million yen 25,242	million yen 132,891	million yen (3,183)	million yen (5)
Net income				2,898		
Other comprehensive loss					(5,903)	
Cash dividends paid (13.5 yen per share)				(2,013)		
Retirement of treasury stock	(2,500)			(2,310)		
Repurchase of treasury stock	(42)					(38)
As of September 30, 2003	146,570	13,260	25,242	131,466	(9,086)	(43)

IV-4. Interim Consolidated Statements of Cash Flows - Unaudited

Accounts	Current Six-Month Period From April 1, 2003 to Sept. 30, 2003	Previous Six-Month Period From April 1, 2002 to Sept. 30, 2002	Previous Fiscal Year From April 1, 2002 to March 31, 2003
	Million Yen	Million Yen	Million Yen
I. Operating activities			
1. Net income	4,424	4,099	2,898
2. Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation and amortization	1,464	1,504	2,971
(2) Deferred income taxes	(955)	(1,572)	(2,756)
(3) (Gain)/loss on sale or disposal of property, plant and equipment	308	(68)	143
(4) Impairment charges on long-lived assets	-	-	556
(5) Valuation loss on investments	101	1,437	3,566
(6) Gain on sale, transfer or exchange of investments	(436)	(1)	(436)
(7) Undistributed earnings of affiliates, less dividends	(116)	(148)	(643)
(8) Changes in assets and liabilities			
Decrease (increase) in notes and accounts receivables	(4,413)	(2,240)	3,110
Decrease (increase) in inventories	(1,591)	1,785	154
Decrease (increase) in other current assets	486	445	(1,365)
Increase (decrease) in payables	1,067	(2,665)	(2,236)
Increase in liability for termination and retirement benefits	1,644	801	1,672
Increase in accrued expenses and other current liabilities	238	1,806	771
(9) Other	638	344	(547)
Net cash provided by operating activities	2,859	5,527	7,858
II. Investing activities			
1. Proceeds from sales and redemption of marketable securities	32,279	25,329	59,681
2. Payments to acquire marketable securities	(22,810)	(28,458)	(67,613)
3. Proceeds from sales of property, plant and equipment	265	939	1,416
4. Capital expenditures	(1,045)	(1,083)	(2,104)
5. Proceeds from sales and redemption of investments	487	-	1
6. Payments to acquire investments	(258)	(358)	(866)
7. Increase in other assets	(66)	(334)	(354)
Net cash provided by /(used in) investing activities	8,852	(3,965)	(9,839)
. Financing activities			
1. Decrease in short-term bank loans	(114)	(131)	(1,647)
2. Proceeds from issuance of long-term debt	204	7	183
3. Repayment of long-term debt	(212)	(37)	(181)
4. Repurchase of treasury stock	(2)	(12)	(2,348)
5. Dividends paid on common stock	(1,978)	(2,013)	(2,013)
Net cash used in financing activities	(2,102)	(2,186)	(6,006)
. Effect of exchange rate changes on cash and cash equivalents	9	(159)	(148)
. Net decrease in cash and cash equivalents	9,618	(783)	(8,135)
. Cash and cash equivalents, beginning of period	27,246	35,381	35,381
. Cash and cash equivalents, at end of period	36,864	34,598	27,246

Additional Cash Flow Information

Cash paid for:			
Interest	71	82	154
Income taxes	3,023	2,098	4,543
Investment activities without cash expenditure			
Exchange of shares	-	-	703

IV-5. Basic Matters in Preparing Interim Consolidated Financial Statements

1. Matters regarding the scope of consolidation and application of the equity method

Major consolidated subsidiaries:

Studio Five Corp., Point Up Inc., Nagasaki Wacoal Sewing Corp., Torica Co., Ltd., Nanasai Co., Ltd., Wacoal International Corp., Wacoal America Inc., Wacoal France S.A., Wacoal Hong Kong Co., Ltd., Wako Investment Co., Ltd., Wacoal China Co., Ltd.

Major affiliated companies:

Shinyoung Wacoal Inc., Taiwan Wacoal Co., Ltd., Thai Wacoal Public Co., Ltd.

2. Matters regarding deployment status of scope of consolidation and application of the equity method

Consolidated (new): Dalian Wacoal Co., Ltd.

Equity Method (new): Wacoal Malaysia SDN BHD

3. Standard for preparation of interim consolidated financial statements

The interim consolidated financial statements have been prepared based on the terms, format and methods in compliance with the accounting standards generally accepted in the United States ("U.S. Accounting Standards") required in relation to the issuance of the American Depository Receipts (ADR). Moreover, various laws and ordinances relating to accounting in the U.S. include the format regulations (Regulation S-X) and Accounting Series Release regarding notifications and reports to the Security Exchange Commission, the references of the Financial Accounting Standard Board (FASB), the report of the Accounting Principles Board, and Accounting Research Bulletin (ARB) of the Committee on Accounting Procedures, among others. Therefore, the subject matter differs from the case in which interim consolidated financial statements are prepared in accordance with the accounting principles generally accepted in Japan ("Japan GAAP"). Nevertheless, segment information is prepared in accordance with Japan GAAP.

4. Material Accounting Policy

- (1) Valuation standard of inventories

The gross average method was mainly used for goods, products and supplies, and the first-in-first-out method was used for raw materials, with both valued at the lower cost accounting method.

- (2) Valuation standard of property, plant and equipment and method of depreciation

Property, plant and equipment are valued at acquisition cost. Depreciation expenses are calculated mainly with the constant percentage method based on the estimated useful life of such asset (the lease term for leased assets capitalized as assets).

- (3) Valuation method of marketable securities and investment securities

Based on the provision of FASB Standard No. 115, marketable securities and investment securities have been classified as "available for sale securities", and valued at a fair value. Moreover, unrealized valuation profit/loss is classified and indicated in the cumulative amount of other comprehensive profits in the capital section at a price after the adjustment of the tax effect.

- (4) Reserve for retirement benefits

This is accounted for based on the provision of FASB Standard No. 87.

- (5) Lease transactions

Based on the provision of FASB Standard No. 13, capital leases have been capitalized at the fair value of the leased item, and accrued liability corresponding thereto has been accounted for.

- (6) Accounting procedure for consumption tax.

Accounting procedure for consumption tax. is based on the tax-excluded method.

- (7) Interim consolidated statements of cash flows

Upon preparing the interim consolidated statements of cash flows, time deposits and negotiable deposits within three (3) months have been included in cash and cash equivalents.

(Notes)

1. Market Value of Securities, etc.

(Unit: Million Yen)

	Current Six-Month Period As of Sept. 30, 2003				Previous Six-Month Period As of Sept. 30, 2002				Previous Fiscal Year As of March 31, 2003			
	Acquisition Cost	Total Unrealized Gain	Total Unrealized Loss	Fair Value	Acquisition Cost	Total Unrealized Gain	Total Unrealized Loss	Fair Value	Acquisition Cost	Total Unrealized Gain	Total Unrealized Loss	Fair Value
Current:												
Government bonds	2,726	0	12	2,714	2,824	2	1	2,825	2,720	5	0	2,725
Corporate bonds	18,292	18	7	18,303	17,976	36	58	17,954	23,944	30	16	23,958
Bank bonds	15,184	67	7	15,224	19,528	40	12	19,556	18,696	39	14	18,721
Investment trusts	2,924	40	4	2,960	3,093	37	14	3,116	2,829	17	0	2,846
Total	39,126	125	30	39,221	43,421	115	85	43,451	48,189	91	30	48,250
Noncurrent:												
Equity securities	15,718	8,578	161	24,135	17,425	5,871	931	22,365	16,293	2,672	1,352	17,613
Total	15,718	8,578	161	24,135	17,425	5,871	931	22,365	16,293	2,672	1,352	17,613

2. Contract Amount, Market Value and Valuation of Profit/Loss from Derivative Transactions

To prepare for the risk of fluctuation in foreign currency exchange rates and interest rates, future goods contracts have been used as financial derivative products. There are non-market forward exchange transactions (dollar-buying, yen-selling) which take place, but indications thereof have been omitted as the amounts are small and lack importance in the current six-month period. There was no balance for such forward exchange transactions at the end of the previous six-month period and previous fiscal year.

V. Segment Information - Unaudited

(1) Segment information by type of business

Current six-month period (ended September 30, 2003)

(Unit: Million Yen)

	Textile Products and Related Products	Others	Total	Elimination or Corporate	Consolidated
Sales and operating profit or loss					
(1) Sales to outside customers	77,052	7,295	84,347	-	84,347
(2) Internal sales or transfer among segments	-	3,784	3,784	(3,784)	-
Total	77,052	11,079	88,131	(3,784)	84,347
Operating expenses	70,319	10,961	81,280	(2,954)	78,326
Operating income	6,733	118	6,851	(830)	6,021

Previous six-month period (ended September 30, 2002)

(Unit: Million Yen)

	Textile Products and Related Products	Others	Total	Elimination or Corporate	Consolidated
Sales and operating profit or loss					
(1) Sales to outside customers	79,459	7,658	87,117	-	87,117
(2) Internal sales or transfer among segments	-	3,654	3,654	(3,654)	-
Total	79,459	11,312	90,771	(3,654)	87,117
Operating expenses	70,666	11,268	81,934	(2,830)	79,104
Operating income	8,793	44	8,837	(824)	8,013

Previous year (ended March 31, 2003)

(Unit: Million Yen)

	Textile Products and Related Products	Others	Total	Elimination or Corporate	Consolidated
Sales and operating profit or loss					
(1) Sales to outside customers	147,377	16,332	163,709	-	163,709
(2) Internal sales or transfer among segments	-	7,489	7,489	(7,489)	-
Total	147,377	23,821	171,198	(7,489)	163,709
Operating expenses	138,613	24,125	162,738	(6,293)	156,445
Operating income (loss)	8,764	(304)	8,460	(1,196)	7,264

- (Note)
1. Segment information is prepared based on the “interim consolidated financial statement regulations”.
 2. Business segments are classified into textile goods and related products and others based on the type, quality, and similarity of the sales market of such products.
 3. Core products of the respective business segments:
Textile goods and related products: innerwear (foundation, lingerie, nightwear and children’s innerwear), outerwear, sportswear, hosiery, etc.
Others: mannequins, shop design and implementation, housing, restaurant, culture, services, etc.

(2) Segment information by location

Current six-month period (ended September 30, 2003)

(Unit: Million Yen)

	Japan	Asia	Europe/US	Total	Elimination or Entire company	Consolidated
Sales and operating profit or loss						
(1) Sales to outside customers	75,245	2,651	6,451	84,347	-	84,347
(2) Internal sales or transfer among segments	476	1,965	-	2,441	(2,441)	-
Total	75,721	4,616	6,451	86,788	(2,441)	84,347
Operating expenses	69,903	4,285	5,749	79,937	(1,611)	78,326
Operating income	5,818	331	702	6,851	(830)	6,021

Previous six-month period (ended September 30, 2002)

(Unit: Million Yen)

	Japan	Asia	Europe/US	Total	Elimination or Entire company	Consolidated
Sales and operating profit or loss						
(1) Sales to outside customers	76,963	2,813	7,341	87,117	-	87,117
(2) Internal sales or transfer among segments	273	1,341	-	1,614	(1,614)	-
Total	77,236	4,154	7,341	88,731	(1,614)	87,117
Operating expenses	69,965	3,617	6,312	79,894	(790)	79,104
Operating income	7,271	537	1,029	8,837	(824)	8,013

Previous year (ended March 31, 2003)

(Unit: Million Yen)

	Japan	Asia	Europe/US	Total	Elimination or Entire company	Consolidated
Sales and operating profit or loss						
(1) Sales to outside customers	145,155	4,986	13,568	163,709	-	163,709
(2) Internal sales or transfer among segments	718	3,025	-	3,743	(3,743)	-
Total	145,873	8,011	13,568	167,452	(3,743)	163,709
Operating expenses	139,527	7,446	12,019	158,992	(2,547)	156,445
Operating income	6,346	565	1,549	8,460	(1,196)	7,264

- (Note) 1. Segment information is prepared based on the "interim consolidated financial statement regulations".
2. Major countries and areas included in the respective segments other than Japan
Asia: various countries of East Asia and Southeast Asia
Europe/US: the U.S. and various European countries

(3) Overseas sales

Current six-month period (ended September 30, 2003)

(Unit: Million Yen)

	Asia	Europe/US	Total
I. Overseas sales	2,651	6,451	9,102
II. Consolidated sales	-	-	84,347
III. Ratio of overseas sales to consolidated sales	3.1%	7.7%	10.8%

Previous six-month period (ended September 30, 2002)

(Unit: Million Yen)

	Asia	Europe/US	Total
I. Overseas sales	2,813	7,341	10,154
II. Consolidated sales	-	-	87,117
III. Ratio of overseas sales to consolidated sales	3.2 %	8.4 %	11.6 %

Previous year (ended March 31, 2003)

(Unit: Million Yen)

	Asia	Europe/US	Total
I. Overseas sales	4,986	13,568	18,554
II. Consolidated sales	-	-	163,709
III. Ratio of overseas sales to consolidated sales	3.0%	8.3%	11.3%

- (Note)
1. Segment information is prepared based on the “interim consolidated financial statement regulations”.
 2. Major countries and areas included in the respective segments other than Japan
 Asia: Various countries of East Asia and Southeast Asia
 Europe/US: US and various European countries

VI. Status of Production and Sales

(1) Production Results

Segment name by type of business	Current Six-Month Period Ended Sept. 30, 2003		Previous Six-Month Period Ended Sept. 30, 2002		Previous Fiscal Year Ended March 31, 2003	
	Amount	% Distribution	Amount	% Distribution	Amount	% Distribution
	Million Yen	%	Million Yen	%	Million Yen	%
Textile goods and related products	36,731	100.0	35,522	100.0	69,670	100.0

(2) Sales Performance

Segment name by type of business		Current Six-Month Period Ended Sept. 30, 2003		Previous Six-Month Period Ended Sept. 30, 2002		Previous Fiscal Year Ended March 31, 2003	
		Amount	% Distribution	Amount	% Distribution	Amount	% Distribution
		Million Yen	%	Million Yen	%	Million Yen	%
Textile goods and related products	Innerwear						
	Foundation garments and Lingerie	61,721	73.2	63,296	72.7	116,741	71.3
	Nightwear	6,117	7.2	6,837	7.8	12,710	7.8
	Children's underwear	1,226	1.5	1,379	1.6	2,515	1.5
	Subtotal	69,064	81.9	71,512	82.1	131,966	80.6
	Outerwear/Sportswear	5,002	5.9	5,179	5.9	9,440	5.8
	Hosiery	736	0.9	789	0.9	1,672	1.0
	Other textile products	2,250	2.7	1,979	2.3	4,299	2.6
	Total	77,052	91.4	79,459	91.2	147,377	90.0
Others		7,295	8.6	7,658	8.8	16,332	10.0
Total		84,347	100.0	87,117	100.0	163,709	100.0

VII. Interim Non-Consolidated Financial Statements for the First Half of the Fiscal Year Ending March 31, 2004 [Based on accounting principles generally accepted in Japan]

November 13, 2003

Listed Company: Wacoal Corporation
Code Number: 3591

Stock Exchanges: Tokyo, Osaka
Location of Principal Office: Kyoto

(URL <http://www.wacoal.co.jp/>)

Representative: Position: President and Representative Director

Name: Yoshitaka Tsukamoto

For Inquiries: Position: Corporate Officer, General Manager of Corporate Planning Division

Name: Nobuhiro Matsuda TEL (075) 682-1010

Date of Meeting of the Board of Directors for Interim Statements: November 13, 2003

Existence of Interim Dividend System: No

Adoption of Unit Stock System: Yes (1 Unit: 1,000 shares)

1. Business Results for the Six-Month Period Ended September 30, 2003 (April 1, 2003 to September 30, 2003) - Unaudited

(1) Management Performance (Note) Amounts less than 1 million yen have been rounded off.

	Net Sales	Operating Income	Income before Income Taxes
	Million Yen	Million Yen	Million Yen
Six-Month Period Ended September 30, 2003	68,464 (1.1%)	5,581 (17.9%)	6,556 (15.5%)
Six-Month Period Ended September 30, 2002	69,214 0.3%	6,796 3.6%	7,761 3.1%
Year Ended March 31, 2003	128,641 0.2%	8,169 5.4%	9,517 4.5%

	Net Income	Net Income Per Share
	Million Yen	Yen
Six-Month Period Ended September 30, 2003	3,824 0.4%	26.09
Six-Month Period Ended September 30, 2002	3,810 (7.1%)	25.55
Year Ended March 31, 2003	3,013 (37.3%)	19.99

(Note) (i) Average number of shares during the period: Six-month period ended September 30, 2003: 146,569,106 shares; Six-month period ended September 30, 2002: 149,107,579 shares; Year ended March 2003: 148,772,325 shares
(ii) Changes in accounting method: None
(iii) Percentages indicated under net sales, operating income, income before income taxes, and net income represent the increase/decrease compared to the previous six-month period.

(2) Status of Dividends - Unaudited

	Interim Dividend Per Share	Annual Dividend Per Share
	Yen	Yen
Six-Month Period Ended September 30, 2003	-	-
Six-Month Period Ended September 30, 2002	-	-
Year Ended March 31, 2003	-	13.50

(3) Financial Status - Unaudited

	Total Assets	Shareholders' Equity	Shareholders' Equity to Assets	Shareholders' Equity per Share
	Million Yen	Million Yen	%	Yen
Six-Month Period Ended September 30, 2003	201,804	161,610	80.1	1,102.64
Six-Month Period Ended September 30, 2002	198,698	160,829	80.9	1,078.68
Year Ended March 31, 2003	189,019	155,714	82.4	1,062.12

(Note) (i) Number of outstanding shares at the end of term: Six-month period ended September 30, 2003: 146,567,476 shares; Six-month period ended September 30, 2002: 149,099,380 shares; Year ended March 2003: 146,570,431 shares
(ii) Number of treasury stock at the end of term: Six-month period ended September 30, 2003: 49,209 shares; Six-month period ended September 30, 2002: 17,305 shares; Year ended March 2003: 46,254 shares

2. Forecast of Business Results for the Year Ending March 31, 2004 (April 1, 2003 to March 31, 2004)

	Net Sales	Operating Income	Net Income	Annual Dividend Per Share	
	Million Yen	Million Yen	Million Yen	End of Term	Yen
Annual	131,000	8,600	5,000	13.50	13.50

(Reference) Expected net income per share (annual basis): 33.84 yen

*The foregoing estimates are made based on information available as of the date this data was released, and actual results may differ from estimates due to various factors arising in the future. Please refer to page 6 of the attached materials for items relating to the foregoing estimates.

VIII-1. Interim Balance Sheets - Unaudited

Accounts	Current Six-Month Period		Previous Six-Month Period		Previous Fiscal Year	
	As of Sept. 30, 2003		As of Sept. 30, 2002		As of March 31, 2003	
(Assets)	Million Yen	%	Million Yen	%	Million Yen	%
I. Current assets	101,096	50.1	93,067	46.8	94,526	50.0
Cash	32,038		29,344		22,911	
Trade notes	812		1,403		1,038	
Trade accounts	17,347		17,011		13,565	
Marketable securities	21,978		19,149		29,735	
Inventories	18,633		16,636		17,782	
Deferred income taxes	3,432		3,255		3,063	
Other current assets	6,929		6,506		6,572	
Reserve for bad debts	(75)		(239)		(143)	
II. Fixed Assets	100,708	49.9	105,630	53.2	94,493	50.0
1. Property, plant and equipment	44,874	22.2	47,022	23.7	45,840	24.2
Buildings	21,271		22,317		21,714	
Land	20,450		21,554		20,948	
Others	3,152		3,150		3,177	
2. Intangible fixed assets	2,675	1.3	1,896	1.0	2,410	1.3
3. Investment and other assets	53,158	26.4	56,712	28.5	46,242	24.5
Investment securities	48,963		52,037		41,651	
Others	4,934		5,467		5,324	
Reserve for bad debts	(739)		(792)		(733)	
Total Assets	201,804	100.0	198,698	100.0	189,019	100.0

Accounts	Current Six-Month Period		Previous Six-Month Period		Previous Fiscal Year	
	As of Sept. 30, 2003		As of Sept. 30, 2002		As of March 31, 2003	
(Liabilities)	Million Yen	%	Million Yen	%	Million Yen	%
I. Current Liabilities	29,660	14.7	28,906	14.6	26,676	14.1
Trade notes	698		876		653	
Trade accounts	12,695		11,030		10,363	
Accrued liability	4,595		4,312		5,848	
Income taxes payable	2,958		4,061		2,550	
Accrued bonus	3,260		3,390		3,350	
Allowance for returns	2,190		2,260		1,480	
Others	3,262		2,975		2,430	
II. Long-term Liabilities	10,532	5.2	8,962	4.5	6,628	3.5
Deferred income taxes	3,058		2,666		126	
Reserve for retirement benefits	6,266		5,149		5,338	
Reserve for officers' retirement benefits	437		426		450	
Others	770		719		713	
Total liabilities	40,193	19.9	37,868	19.1	33,304	17.6
(Shareholders' Equity)						
I. Common stock	13,260	6.6	13,260	6.7	13,260	7.0
II. Additional paid-in capital	25,273	12.5	25,273	12.7	25,273	13.4
Capital reserve	25,273		25,273		25,273	
III. Retained earnings	114,858	56.9	116,159	58.4	113,052	59.8
Legal reserve	3,315		3,315		3,315	
Optional reserve fund	105,339		105,367		105,367	
Undistributed Profits	6,203		7,477		4,370	
IV. Other securities valuation difference	8,263	4.1	6,154	3.1	4,170	2.2
V. Treasury stock	(45)	(0.0)	(17)	(0.0)	(42)	(0.0)
Total shareholders' equity	161,610	80.1	160,829	80.9	155,714	82.4
Total liabilities and shareholders' equity	201,804	100.0	198,698	100.0	189,019	100.0

VIII-2. Interim Statements of Income - Unaudited

Accounts	Current Six-Month Period		Previous Six-Month Period		Previous Fiscal Year	
	From April 1, 2003 to Sept. 30, 2003		From April 1, 2002 to Sept. 30, 2002		From April 1, 2002 to March 31, 2003	
	Million Yen	%	Million Yen	%	Million Yen	%
I. Net sales	68,464	100.0	69,214	100.0	128,641	100.0
II. Cost of sales	34,630	50.6	35,406	51.2	66,296	51.5
Total income on sales	33,834	49.4	33,808	48.8	62,345	48.5
III. Selling, general and administrative expenses	28,253	41.2	27,011	39.0	54,175	42.1
Operating income	5,581	8.2	6,796	9.8	8,169	6.4
IV. Non-operating income	1,115	1.6	1,082	1.6	1,638	1.2
Interest income	145		158		321	
Dividends income	599		578		694	
Others	370		346		622	
V. Non-operating expenses	140	0.2	117	0.2	290	0.2
Interest expense	0		1		2	
Others	139		116		288	
Current income	6,556	9.6	7,761	11.2	9,517	7.4
VI. Extraordinary gains	464	0.6	392	0.6	547	0.4
VII. Extraordinary losses	432	0.6	1,644	2.4	4,621	3.6
Pre-tax net income	6,588	9.6	6,508	9.4	5,443	4.2
Income tax, resident tax, business tax	3,057	4.4	4,045	5.8	4,559	3.5
Adjustment of income tax, etc.	(292)	(0.4)	(1,346)	(1.9)	(2,130)	(1.6)
Net income	3,824	5.6	3,810	5.5	3,013	2.3
Profit carryforwards from previous year	2,379		3,667		3,667	
Retirement of treasury stock	-		-		2,310	
Undistributed Profits	6,203		7,477		4,370	

< Basic Matters in Preparation of Interim Financial Statement >

1. Valuation standards and method of assets
 - (1) Valuation standards and method of securities
 - Stock of subsidiaries and affiliated companies: Cost accounting method based on moving average method
 - Other securities:
 - Securities with market value: Market value method based on market price on closing day for the six-month period (Variance in valuation is based on method of directly including all shareholders' equity, and cost of sales is calculated based on moving average method.)
 - Securities without market value: Cost accounting method based on moving average method
 - (2) Valuation standards and method of inventories: Lower cost accounting method based on first-in first-out method
2. Depreciation method of fixed assets
 - (1) Property, plant and equipment: Constant percentage method (fixed amount method for buildings (excluding fixtures incidental to buildings) acquired on or after April 1, 1998)
 - Durable years for major items are as follows:
 - Buildings and structures: 5 to 50 years
 - Machinery and vehicles: 6 to 12 years
 - Equipment and tools: 5 to 20 years
 - (2) Intangible fixed assets: Fixed amount method (For the internal use of software in the Company, the fixed amount method based on the available period (5 years) is used.)
3. Appropriation standards of reserves
 - (1) Reserve for bad debts: In order to prepare for bad debt loss of accounts receivable and loans receivable, the estimated collectable amounts are appropriated using the loan loss ratio for general credits and consideration of individual collectability credits specified as being at risk of becoming dead loans.
 - (2) Accrued bonuses: In order to supply bonuses to employees, accrued bonuses are appropriated based on the anticipated amount to be supplied.
 - (3) Allowance for returns: In order to clarify the corresponding relationship of sales and returns, consideration is given to prior returned goods and the estimated loss accompanying future returned goods is appropriated.
 - (4) Reserve for retirement benefits: In order to prepare for retirement benefits for employees, based on retirement payment liabilities and pension assets as of the end of the current consolidated fiscal year, such amount is appropriated.
 - (5) Reserve for officers' retirement benefit: In order to prepare for expenditure of reserve for officers' retirement benefit, a necessary supply amount based on internal regulations relating to the supply of officers' retirement benefit is appropriated.
4. Processing method of lease transactions
 - For finance lease transactions other than those in which the ownership of the leased item is acknowledged to be transferred to the borrower, are pursuant to accounting procedures based on the method according to an ordinary lease transaction.
5. Account procedures for consumption tax, etc.
 - Accounting procedure for consumption tax, etc. is as per the tax-excluded method.

(Unit: Million Yen, except as otherwise indicated)

<Notes>

(Current Six-Month Period) (Previous Six-Month Period) (Previous Fiscal Year)

1. Accumulated depreciation in property, plant and equipment	28,931	27,491	28,217
2. Breakdown of extraordinary gains			
Gains on the sale of fixed assets	28	392	547
Gains on the sale of investment securities	436	-	-
3. Breakdown of extraordinary loss			
Loss on sale of fixed assets	332	93	631
Valuation loss of investment securities	-	982	2,673
Valuation loss of subsidiary stock	100	25	70
Additional amount due to selective early retirement	-	543	1,246
4. Matters relating to lease transactions			
(1) Finance lease other than transfer of ownership			
(i) Acquisition cost equivalent, cumulative depreciation equivalent, and balance equivalent			
	(Tools and equipment)	(Tools and equipment)	(Tools and equipment)
Acquisition cost equivalent	472	490	470
Cumulative depreciation equivalent	372	310	372
Balance equivalent	99	180	97
(ii) Balance equivalent of lease obligation			
Within one year	125	145	133
Over one year	38	116	53
Total	164	262	187
Since the lease obligation represents a small percentage of the property, plant and equipment, the foregoing amounts have been calculated including interest portion.			
(iii) Lease fee paid			
Lease fee paid	77	70	146
Depreciation expense equivalent	51	77	159
(2) Operating lease			
Lease obligation			
Within one year	2	7	180
Over one year	-	2	88
Total	2	10	269
5. Breakdown of decrease in number of outstanding shares			
Retirement of treasury stock by profit	-	-	2,500 thousand shares
Total amount of stock acquisition cost	-	-	2,307
6. Shares of affiliated companies with market value			
Appropriation on balance sheet	1,263	1,263	1,263
Market value	4,435	2,987	2,808
Balance	3,172	1,724	1,544
7. Guarantee of liabilities of loans by subsidiary			
(1) Guarantee of liability	-	228 (1 company)	467 (1 company)
(2) Cover of management guidance letter	578 (1 companies)	679 (2 companies)	833 (2 companies)